

2 Lecture - MGT101

Important Subjective

1. **What is record keeping?**

Answer: Record keeping is the process of maintaining accurate and complete records of business transactions.

2. **Why is record keeping important for businesses?**

Answer: Record keeping is important for businesses because it helps them keep track of their finances, comply with legal requirements, make informed decisions, and identify opportunities for growth.

3. **What are the different types of records that businesses should keep?**

Answer: The different types of records that businesses should keep include financial statements, tax records, payroll records, sales records, and customer records.

4. **What are the basic components of a record keeping system?**

Answer: The basic components of a record keeping system include a ledger book, a filing system, and a system for organizing and storing electronic records.

5. **What is the purpose of accounting software in record keeping?**

Answer: Accounting software is used in record keeping to automate and streamline the process of maintaining financial records, providing accurate and timely financial reports, and improving overall efficiency.

6. **What are the benefits of accurate record keeping?**

Answer: The benefits of accurate record keeping include better financial decision-making, compliance with legal requirements, improved communication with stakeholders, and identification of opportunities for growth.

7. **What are the consequences of poor record keeping?**

Answer: Poor record keeping can lead to financial losses, legal penalties, poor decision-making, and damage to a company's reputation.

8. **How often should businesses update their records?**

Answer: Businesses should update their records regularly, ideally on a daily or weekly basis, to ensure that they are accurate and up-to-date.

9. **What is the difference between internal and external records?**

Answer: Internal records are those that are created and maintained within the organization, such as employee time sheets and purchase orders. External records are those that are generated by external parties, such as bank statements and customer invoices.

10. **How can businesses ensure the security and privacy of their records?**

Answer: Businesses can ensure the security and privacy of their records by implementing proper access controls, storing records in secure locations, and using encryption and password protection for electronic records.